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BRIEF TO REGIONAL COUNCIL CONCERNING THE ELEVATED RAPID TRANSIT SYSTEM

Prepared by the:
Board of Directors
of the
Social Planning and Research Council
of Hamilton and District

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INTRODUCTION

The Social Planning and Research Council has, as its central purpose, a concern with the social development of the Region. In turn, we recognize the fundamental importance of the careful spending of public money to enhance this development.

In light of this, we are obviously in favour of an adequate public transit system for our residents. The efficient movement of people in and out of the City core and from homes to the workplace is essential to the long-term development of the Region.

At the same time, any transit plans must not be examined in isolation from other developments in the community.

We are in favour of any development which represents:

1) the wise and judicious spending of public money for meeting community needs;
2) the effective participation of an informed public in decision-making;
3) an enhancement of the residential character of the Region and, in this case, the downtown core of the City;
4) an enhancement of the economic stability and development of the Region.

We have, therefore, attempted to examine the proposed elevated transit system from the point of view of the four basic principles. In simple terms, the question which we have attempted to answer is - what are the social costs of constructing this system and do the net benefits justify this expenditure of taxpayers' money in terms of the principles outlined above?

To answer this question, we have relied to a considerable extent on the various reports which the consultants have filed with Metro Canada. To a much smaller extent, we have complemented this research with some work of our own relating to population projections and demographic changes.

I. THE WISE AND JUDICIOUS SPENDING OF PUBLIC MONEY TO MEET COMMUNITY NEEDS

We will, first of all, present the total cost of the system and then examine whether or not it can be justified on the basis of transit need.

a) Cost to the Taxpayer

The current capital cost of implementing this system has been estimated to be approximately 135 million dollars.[1]

If this is financed in the traditional manner by issuing debentures, the direct cost to the City taxbase over the ten-year period, would be approximately $30,000,000. The additional share of the provincial costs which would come from Regional and City residents would equal approximately $13,000,000. The total cost to Regional and City taxpayers would, therefore, equal approximately $43,000,000 broken out as follows -

City taxpayers - $39,750,000

Regional taxpayers outside City - $3,250,000

Under anticipated interest rates, the total capital costs of this

[1] Comparison of Alternative Modes Report, Table 6.2

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project will be in the area of $300,000,000, assuming the use of debentures at both the provincial and regional levels. This amounts to approximately $96,000,000 per mile for the basic system.

The magnitude of this expenditure can be put into perspective by noting that interest payments alone on the $135,000,000 debenture issue would -

- have paid for the new public library in six months;
- have paid for the new convention centre in one year;
- pay for the proposed new arena in two years;
- pay for the new community health centre for the East End in two months.

Finally, it is important to note that these represent capital costs. The cost of the operating subsidy which will be required over the years has not been included. In addition, to the best of our knowledge, the following costs have also not been included -

- the cost of expanding the D.A.R.T.S. service to serve seniors along the route;
- the cost to the City of acquiring land for the public parking lots which inevitably will be required around the stations;
- the cost of the fare collection system.

b) Justification on the Basis of Transit Need

Consultants' Report

According to Metro Canada -

"The practical capacity of a conventional surface transit route is generally regarded as 6,000 passengers per hour in the peak direction (p.p.h.p.d). The travel transit demand (total person-trip demand less auto trip capacity) is projected to reach approximately 6,000 p.p.h.p.d. by the early 1990's".[2]

This projection was based on two important assumptions -

1) that the population of the City would increase by almost 79,000 persons between 1980 and 2001;

2) that the percentage of total trips that would be made on public transit would increase from 26% to 37% once the I.C.T.S. was in place.

Comments

The revised Regional population projections indicate a decrease in the City population by 5,000 persons rather than an increase of almost 79,000.[3] Therefore, any increase in ridership would have to come from sources other than population growth. It should be noted, in fact, that the original expected increase of 79,000 persons was a major basis for considering the I.C.T.S. in the first place. It should be further noted that these revised projections for the Region as a whole, are consistent with those provided by the province's own

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[2] Functional Plan, Metro Canada, pg. 2

[3] Hamilton-Wentworth Population Projections 1981 Review. Planning and Development Dept., October, 1981.

Ministry of Treasury and Economics.[4]

The second factor, an increase from 26% to 37% would increase the p.p.h.p.d. to approximately 4,200 by 2001, 30% short of the 6,000 figure necessary to justify the system.

There is, in fact, some cause to question an increase from 26% to 37%. Young persons are, traditionally, major consumers of public transit services and, in fact, the Social Impact Assessment indicated that young persons thought themselves much more apt to utilize the system than did other age groups.[5]

During the next twenty years, the number of young persons will be decreasing dramatically in our population. Consequently, one of the major consumers of public transit services will be on the decline. This, then, will act as a reducing factor on ridership.

The other major consumers of public transit are senior citizens and, according to the Social Impact Assessment[6] this group was strongly opposed to the I.C.T.S. The structure of the I.C.T.S. severely limits the accessibility of the system for seniors. The consultants have assumed that the D.A.R.T.S. service will provide for the transit needs of those seniors who are unable to use the I.C.T.S.

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[4]Computer printout received from Ministry of Treasury and Economics, June, 1981.

[5]Social Impact Assessment, Market Decisions Research

[6]Ibid

A major expansion of D.A.R.T.S. would, therefore, be required if this system were implemented and this is a cost which has not been included in the reported costs for implementing the system. The only way of overcoming this accessibility problem would be the construction of elevators at all of the stations, a factor which would increase the system's cost substantially.

We suggest, therefore. that these major demographic changes could make it very difficult to achieve the targeted utilization rate of 37% - one major consuming group will be on the decline, while another major consuming group will make less than full use of the system.

Conclusion

It appears unlikely that we will exceed the capacity of a surface transportation system by the end of this century. There does not appear, therefore, to be any reasonable justification for implementing this system on the basis of local transit needs.

II. THE EFFECTIVE PARTICIPATION OF AN INFORMED PUBLIC IN DECISION-MAKING

The Social Planning and Research Council has been actively participating in this study since October, 1980. We have provided many hours of staff and volunteer time, participating on the Citizens' Advisory Committee on Rapid Transit, attending Steering Committee meetings, working with citizens' groups and monitoring the public participation program. We hope that our submission today will not only provide an assessment of the process but will also assist the Region in their future decision-making about issues of this sort.

Consultants' Report

According to Beak Consultants..."the number and variety of methods used to involve the public during the study are relatively impressive". However, the report goes on to highlight some of the problems relating to the effectiveness of these activities -

> "Virtually all public groups as well as most of the media and political involvement have included complaints of biased information and slow response to information requests".[8]

The report goes on to say:

> "This mistrust has affected the public participation program by creating an adversarial rather than co-operative involvement. Specifically, it has greatly affected the response and possibly scientific validity of several potentially valuable public participation methodologies including the Social Impact Survey and questionnaire response analyses."[9]

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[8] Public Participation Report, Beak Consultants, 1981, pg.56

[9] Ibid. pg.56

Comments

We agree that despite the considerable effort made by the consultants to involve the public, the efforts met with limited success.

In identifying why the program was less than successful, we have utilized four commonly used criteria for evaluating participation programs -

1) Does the public have access to timely, unbiased and adequate information?

2) Does the public have direct access to decision-makers?

3) Does the public understand the procedures for participation?

4) Is there an agreement between the authorities and the public about the purpose of the participation?

Our complete analysis of the program is contained in our brief entitled "Public Participation Evaluation: Rapid Transit Study", and this is available to you.

Our conclusions from this analysis were as follows -

1) At the outset of the study, the process was inadequate on all four criteria.

2) As a result of initiatives taken by the Citizens' Advisory Committee on Rapid Transit, the access to the decision-makers and the public's knowledge of procedures improved significantly as the study progressed.

3) The process continued to be inadequate in terms of the other two criteria - access to information and agreement about the reasons for participation.

There were three fundamental problems that continually served to diminish the effects of the participation program.

1) Metro Canada, the firm which would be implementing the system was also responsible for carrying out the public participation. This created an atmosphere of "conflict of interest" which discouraged public trust in the process.

2) The public was only invited to contribute their views about one system, the I.C.T.S., in one corridor, the Mountain. Significant issues about overall need and alternatives were not addressed in a meaningful manner.

3) The major reason for commencing the study was the province's need for a demonstration system. While acknowledging this provincial need, the study clearly attempted to justify the system on the basis of Regional need. This served to cloud the issue from the beginning.

Conclusion

The problems inherent in the public participation program have significantly detracted from its effectiveness. As a result, the participation has not been of sufficient quality to justify a decision based on the effective participation of an informed public.

The S.P.R.C. has also felt compelled to comment on the Social Impact Assessment and these comments are contained in our forementioned brief.

III. ENHANCEMENT OF THE RESIDENTIAL CHARACTER OF THE REGION AND THE DOWNTOWN CORE OF THE CITY

Again, we will follow the consultants' approach and view these impacts in terms of properties near the stations, properties above the escarpment and properties below the escarpment.

I. Land Within 1,000' Radius of Stations

Consultants' Conclusions -

If there is a significant increase in demand for housing, there could be an increase in property values as residential lots are purchased for high density development. This would require appropriate zoning changes.

The consultants do, however, note that -

> "Residential developers are currently not interested in constructing rental accommodation. Current high interest rates not only mean that construction of condominium apartments would be extremely expensive, but also the associated high mortgage rate reduces demand from potential purchasers. Prognostications that high interest rates will continue for several years have reduced market confidence. It is, therefore, likely that, even assuming a zoning by-law which would permit high density development were in place, the increase in property values would be relatively modest".[10]

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[10] Economic Impact, I.B.I. Group, pgs. 2.4 and 2.5

Based on experience elsewhere, there would probably be community opposition to zoning change.[11]

Consequently, the only increase in land value would come through the fact that potential purchasers may be prepared to pay more for houses located near a transit station. "It is probable that such property value increases would not exceed 10%, declining to zero at approximately 1,000 feet from the transit station."[12]

If there is low residential demand, only the last factor would come into play.

Comments

Given the new population projections, the low residential demand scenario appears to be the most plausible. A loss of 5,000 persons in the City population would indicate that by 2001, the City will require 2,000 housing units fewer than exist now. This, coupled with high interest rates, is not a situation which is conducive to new large scale high density developments.

Consequently, the net impact of the I.C.T.S. may be confined to increasing the values of a few existing residences immediately adjacent to the stations by a maximum of 10%.

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[11] Ibid

[12] Ibid

II. Properties Fronting Upper James Street Outside the Area of Transit Station Influence

Consultants' Conclusion

Property values could increase if some of this land was rezoned for commercial/retail purposes. "However, it should be noted that the zoning change would probably have a negative effect on the value of residential properties abutting the rear yards of those which were rezoned".[13]

Comments

As discussed in the economic development section of this report, there would only be significant pressure for rezoning to commercial/retail if significant high density residential development occurred along the route. As indicated in the preceding section, the occurrence of significant high density development is questionable given high interest rates and low growth in residential demand.

Even if it does occur, however, any increase in some property values as a result of the rezoning would correspond with decreased values in those abutting the rezoned area.

In all likelihood, therefore, the overall positive effect of the I.C.T.S. on properties in this area would be negligible.

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13 Ibid

III. Residential Properties Located Along the Proposed Alignment Below the Escarpment.

Consultants' Conclusions

Residential properties in Hughson Street are primarily high density. As a result of an expected intrusion on some of the units on the first three floors, it is expected "that rental level appreciation for these units will not be at the same rate as other units within the apartment blocks."[14]

Comments

No positive impacts were identified by the consultants. Negative impact on some apartments.

Property owners in this area are strongly opposed to implementation of I.C.T.S.[15]

Conclusion

In summary, then, the net positive impact of the I.C.T.S. development upon residential properties appears to be a modest increase in the value of a few units adjacent to the stations above the escarpment. This impact would range from a maximum of a 10% increase to units immediately adjacent to the two stations located in this area, to zero increase 1,000 feet away from the station.

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[14] Ibid

[15] Social Impact Assessment,

As a result of the high degree of institutional and commercial development at the two station points, the number of dwellings which would actually be affected is minimal.

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IV. ENHANCEMENT OF THE ECONOMIC STABILITY AND DEVELOPMENT OF THE REGION

Following the consultants' approach, we will be reviewing the impact of the system on the Central Business District, areas adjacent to the route above the escarpment and the Region as a whole.

a) Impact on Central Business District -

In reference to this impact, we quote from the Economic Assessment Report -

> "Interviews with the private sector do not suggest that a period of rapid growth is imminent. There was a general consensus that the I.C.T.S. would do little to improve accessibility to the wider region. As a result, both local and national concerns expressed a reluctance to associate the I.C.T.S. with added impetus for new commercial/retail/service industry development in the central area".[16]

As no evidence is available to the contrary, the Social Planning and Research Council concurs with this conclusion. The I.C.T.S. would have negligible impact upon the economic development of the Central Business District.

b) Impact on Areas Adjacent to the Route Above the Escarpment -

In reference to this impact, we quote from the same study, pg. 1.13.

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[16] Economic Impact, I.B.I. Group, pg. 2.16

> "Interviews with the City of Hamilton Planning Department, Real Estate Department, and with local realtors suggest that along the proposed alignment on Upper James Street, there exists few additional commercial development opportunities.
>
> In addition, local realtors interviewed indicated that aside from the non-availability of plans for commercial development, there does not appear to be an underlying demand for more retail space within the trade area served by the existing commercial/retail establishments located along this portion of the alignment."[17]

It is unlikely, therefore, that the I.C.T.S. will generate significant new commercial/retail development in this area.

The consultants do suggest that the system could result in an increased demand for existing retailers along the route. There are two ways in which this increase could occur -

1) If high density apartment development occurs along the route, then the increased residential population could increase the demand for retail services located in that area.

2) The plazas which will be adjacent to the stations may experience increased demand.

Comments

Regarding the first point, it is doubtful that large scale high density development will occur along this route. The consultants concluded that current high interest rates and the possibility of

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[17] Ibid

citizen opposition to the required zoning changes might diminish the chances of this occurring.[18] In addition, the new population projections for the City suggest that by 2001, we will require 2,000 housing units fewer than exist at present. Thus, a combination of high interest rates, low demand and citizen opposition to zoning changes, make it highly unlikely that any developer would undertake large scale, high rise developments in that area.

Regarding the plazas, the consultants note that the potential for increased sales could be offset by a significant loss of parking spaces. As of yet, the plazas have not responded as to the relative costs and benefits of this system and we are not in a position to anticipate the results of their own study.

It is important to note, however, that any increased spending at the plazas does not represent new retail money for the Region. If more people spend more money at the plazas as a result of the convenience of the I.C.T.S. it simply means that they will spend less elsewhere in the Region.

It should be pointed out at this point, that the existing plans do not include the development of public parking facilities adjacent to the stations. If transit users are to leave their cars at the stations, such facilities would have to be made available at a significant cost to the City in land acquisition and lot development.

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[18] Ibid

Based on the available evidence then, it appears that if positive impacts do occur, they will be confined to the plazas and could be balanced by corresponding negative impacts elsewhere ... along the route and elsewhere in the City and Region.

In summary, then, given the speculative nature of the positive impacts and given the evidence of corresponding negative impacts elsewhere in the Region, the S.P.R.C. is of the opinion that the net positive impact of the I.C.T.S. upon commercial and retail development above the mountain will, in all probability, be negligible.

c) Impact on the City and the Region as a Whole

We will examine these impacts from the point of view of both long term and short term considerations.

In the short term, the Economic Impact Report anticipates that the construction of the system will create at maximum 1,254 person years of employment in the construction industries, and another 154 person years in support services. This employment, spread over three years, could equal 418 persons in the construction trades and 51 persons in engineering and project administration, assuming that local firms win all of the appropriate tenders.[19]

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[19] Ibid

There is little doubt, then, that in the short term (three year period), the implementation of the I.C.T.S. could have positive impacts in terms of job creation.

In the long term, it has sometimes been argued that the I.C.T.S. could have positive effects in terms of attracting growth to the Region. Our own investigation and the studies by the consultants[20] appear to provide little support for this proposition. Again, the previous arguments applied to the Central Business District are of importance.

The locational decisions made by business organizations, are highly technical and based on a large number of considerations. Whether or not Hamilton has a few miles of elevated transit would not appear to be a significant factor in making this decision.

In addition, even the speculative positive impacts identified earlier are unlikely to represent net gains for the Region. They are more likely to represent a re-alignment of existing population and retail expenditures.

Conclusion

In the short term, then, the I.C.T.S. will have positive impacts in terms of the creation of new jobs in the Region.

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[20] Ibid

In the long term, however, there is no firm evidence that the I.C.T.S. will have significant positive impacts in terms of the growth and development of the Region as a whole.

CONCLUSION

The final project reports, as filed by Metro Canada, lead us to the following conclusions -

1) The total cost of implementing this system is likely to be a minimum of 300 million dollars.

2) This expenditure cannot be justified now or in the foreseeable future, on the basis of meeting local transit needs.

3) There have been serious problems with the public participation process.

4) The expenditures cannot be justified on the basis of enhancing the residential character of the Region.

5) The expenditures cannot be justified on the basis of enhancing the economic stability and development of the Region.

Based upon these considerations, at a special meeting on November 24, 1981, the Board of Directors passed the following motion unanimously, with two abstentions recorded -

> "Based upon the analysis of the information contained in the final reports prepared by Metro Canada, the Social Planning and Research Council Board of Directors is opposed to the implementation of the elevated intermediate capacity transit system, as proposed by Metro Canada".

At the same time, we recognize that all of the attention has been focused upon one particular application of this system. We have no way of knowing whether or not there may be other applications for the system within the Region which would be of greater benefit. With this in mind, a second motion was passed by the Board of Directors.

> "The Social Planning and Research Council favours the principle that an independently conducted study of the I.C.T.S. based on a thorough process of citizen participation, be carried out to determine if there is another role for the system as part of a comprehensive regional and provincial transportation network."

SUMMARY

The wise and judicious spending of public money for meeting community needs.	1. Under debenturing option, the total costs to Regional taxpayers, including a share of provincial costs, will be approximately $43,000,000. Total cost at prevailing interest rates will be approximately $300,000,000. 2. There does not appear to be a justification for implementing this system on the basis of local transit needs.
The effective participation of an informed public in decision-making.	Although there has been considerable activity, the public participation process has been inadequate for the purposes of coming to a decision on elevated rapid transit. Key information is still not available to the public.
An enhancement of the residential character of the Region and, in this case, the downtown core of the City.	No positive impact on downtown. System strongly opposed by homeowners. Negative impact on a few apartments. Some positive impact on a few residential dwellings immediately adjacent to the stations. Negative impact on others if rezoning occurs.
An enhancement of the economic stability and development of the Region.	In the short term (3 years) positive impact on job creation. Maximum of 400 - 500 jobs. In the longer term, high probability that net effect will be negligible. Possibility of some realignment along route above escarpment. Negligible positive impact on Central Business District.